

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0997.01 Esther van Mourik x4215

HOUSE BILL 20-1305

HOUSE SPONSORSHIP

Benavidez and Snyder,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REPEAL OF THE INCOME TAX CREDIT FOR
102 CORPORATE CROP AND LIVESTOCK CONTRIBUTIONS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Under current law, the income tax credit for corporate crop and livestock contributions allows agricultural C corporations to claim an income tax credit of 25% of the value of the charitable crop or livestock contributions they make in a tax year, up to a maximum of \$1,000. The bill eliminates the tax credit.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) The income tax credit for corporate crop and livestock
5 contributions allows agricultural C corporations to claim an income tax
6 credit of 25% of the value of the charitable crop or livestock contributions
7 they make in a tax year, up to a maximum of \$1,000;

8 (b) Due to the limited use of the income tax credit for corporate
9 crop and livestock contributions, too few taxpayers claimed the credit for
10 the department of revenue to report the number of taxpayers who claimed
11 the credit or the amount those taxpayers claimed without compromising
12 the confidentiality of the taxpayers' information; and

13 (c) The infrequent use of the income tax credit for corporate crop
14 and livestock contributions means that the credit has not resulted in a
15 measurable increase in food donations and thus the credit is not meeting
16 its purpose of increasing food donations by agricultural C corporations.

17 (2) Therefore, it is the intent of the general assembly to simplify
18 the collection and administration of taxes for the state of Colorado and to
19 relieve taxpayers' confusion and administrative burdens by repealing tax
20 expenditures that are rarely claimed and that are not meeting their
21 purpose.

22 **SECTION 2.** In Colorado Revised Statutes, 39-22-301, **amend**
23 (3)(b); and **add** (3)(e) as follows:

24 **39-22-301. Corporate tax imposed - repeal.** (3) (b) PRIOR TO
25 JANUARY 1, 2021, there shall be allowed to taxpayers, as a credit with
26 respect to the income taxes imposed by this part 3, an amount equal to

1 twenty-five percent of the wholesale market price or twenty-five percent
2 of the most recent sale price of crop contributions or livestock
3 contributions, or both, made to a tax-exempt charitable organization.
4 Credit, as provided for in this subsection (3), may not exceed one
5 thousand dollars per tax year.

6 (e) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE DECEMBER 31,
7 2024.

8 **SECTION 3. Act subject to petition - effective date.** This act
9 takes effect at 12:01 a.m. on the day following the expiration of the
10 ninety-day period after final adjournment of the general assembly (August
11 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a
12 referendum petition is filed pursuant to section 1 (3) of article V of the
13 state constitution against this act or an item, section, or part of this act
14 within such period, then the act, item, section, or part will not take effect
15 unless approved by the people at the general election to be held in
16 November 2020 and, in such case, will take effect on the date of the
17 official declaration of the vote thereon by the governor.